100TH CONGRESS
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SENATE

REPORT
100-12

THE CENTRAL AMERICAN PEACE AND ECONOMIC COOPERATION ACT OF 1987

MARCH 6, 1987.—Ordered to be printed

Mr. PELL, from the Committee on Foreign Relations, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 184]

The Committee on Foreign Relations, to which was referred the bill (S. 184) to provide economic assistance to the Central American democracies, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

PURPOSE

The purpose of S. 184, introduced by Senator Dodd on January 6, 1987, is to provide a comprehensive alternative United States policy with respect to Nicaragua. This is to be accomplished by terminating aid to the Contras; and by authorizing the provision of additional economic assistance to Costa Rica, El Salvador, Guatemala, and Honduras in order to strengthen these democracies and better enable them to develop a regional solution to the problems confronting the region.

MAJOR PROVISIONS

The major provisions of the bill do the following:

—authorize an additional $300 million in ESF funds for the four Central American democracies (Costa Rica, Honduras, Guatemala and El Salvador);

—terminate further assistance to the Contras upon enactment;

S383-1

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—provide authority to use any unexpended funds, previously appropriated for the Contras, to relocate and resettle them, to fund the Contadora initiative, and to support the internal civilian democratic opposition in Nicaragua;
—terminate U.S. economic assistance and military aid and sales to third countries which provide assistance to the Contras; and
—provide a comprehensive two-pronged alternative policy, to replace the current United States policy with respect to Nicaragua and aid to the Contras.

BACKGROUND

In making the decision to endorse the Dodd bill, the committee took into account the recent history of U.S. policy toward Central America and specifically the policy of providing aid to Contras. This section of the report is intended to provide a brief description of that history.

THE CONTRA MILITARY AND POLITICAL SITUATION

During the last 5 years, the Contras have made little progress toward securing and holding territory within Nicaraguan borders. Recently, however, the Contras apparently expanded military activity in the north, reflecting the first influx of military supplies funded by $100 million in U.S. assistance. The Senate approved such assistance for fiscal year 1987 by a vote of 53–47, but also accepted extensive restrictions proposed by the House on the timing and use of these funds. Most Contra forces remain in neighboring Honduras, with some in Costa Rica, causing significant problems for these host governments. The number of Contra combatants inside Nicaragua is estimated at 4,000 to 6,000 out of a total force of 10,000 to 20,000.

Under the titular control of the United Nicaraguan Opposition (UNO), the Contra military is dominated by the Nicaraguan Democratic Force (FDN), some of whose commanders came from the Somoza national guard, while others are former Sandinistas disillusioned by the path taken by the Nicaraguan revolution after 1979. U.S. funding has been directed predominantly toward the FDN. In addition, the Miskito Indians and the Opposition Bloc of the South (BOS) control smaller numbers of troops, which until recently have not been the focus of U.S. military aid.

U.S. military officials in Florida recently trained some 67 Contra commanders in basic military skills and tactics, emphasizing the need for unified efforts by Contra forces. Despite U.S. funding and training, however, military experts in the region continue to discount the Contras as a military force capable of overthrowing the Sandinista regime.

Politically, the administration has placed increased emphasis on unification of the various Contra factions, hoping to broaden the Contra base of support and present the Nicaraguan people with a serious alternative to Sandinista rule. That effort recently received a major setback, first when Arturo Cruz threatened to resign from UNO because sufficient reforms were not taking place, and then when Adolfo Calero resigned from the UNO Directorate, although he remains leader of the FDN.

Since June 1986, UNO and BOS officials have operated under an agreement aimed at coordinating activities of the two organizations while preserving their separate identities. UNO's recent problems have caused uncertainty in their relationship with BOS. This is a relationship which has been one of great suspicion, even before the recent events described above. In particular, BOS officials point to UNO's credibility problems, resulting from ties to former members of the Somoza national guard, as well as from UNO's lack of real progress politically, diplomatically, or militarily.

IMPACT OF ADMINISTRATION POLICY IN NICARAGUA

Since 1981, Congress has publicly appropriated nearly $200 million in assistance to the Contras, including the $100 million for fiscal year 1987. Figures on additional appropriations provided through authorized but covert channels are not available to the committee. In addition, the Contras have reportedly received up to $25 million from outside sources—not including any funds that may have been diverted from the proceeds of United States arms sales to Iran. (In his early press conference, Attorney General Meese placed this figure at $10 to $30 million.)

Despite publicly recorded assistance exceeding $200 million, plus perhaps substantial additional sums that remain secret, the administration's most recent "Report on Nicaragua" (received by the Senate on January 13) indicates that these funds have not accomplished stated policy goals. The administration reports no progress in pressuring the Sandinista government to moderate its behavior so as to permit greater freedom of speech, assembly, religion, and political activity; and no progress in diminishing the perceived security threat to Nicaragua's neighbors caused by the presence of Cuban and Soviet military advisers in Nicaragua.

Specifically, the administration's report concludes that "there has been no notable change in the degree of internal repression"; that no independent media is permitted to exist; that "independent labor activity has come to a standstill"; that there has been little recent activity by opposition political parties; that church-state hostilities continue; and that the private sector is under increasing pressure from the government.

On January 9, the Sandinista government signed into law a new constitution which, if implemented, would guarantee a broad spectrum of rights and freedoms. President Ortega, however, immediately nullified many of these guarantees by reimposing a state of emergency for another year.

CONTADORA INITATIVE

An effort by the Contadora nations (Panama, Mexico, Colombia, Venezuela), the support Group (Argentina, Brazil, Peru, Uruguay), and the Secretaries-General of the United Nations (UN) and the Organization of American States (OAS) is presently underway to reactivate negotiations aimed at securing general approval of the Contadora draft treaty that has been ready for signature since June 1986. Foreign Ministers from the Contadora nations and the Support Group together with the Secretaries-General, visited each

of the Central American countries in January to urge the respective presidents to focus again on the Contadora draft treaty.

This visit follows a November 1986 memorandum from the Secretaries-General to the Contadora group enumerating ways in which international organizations might assist the peace process. The primary function would be monitoring—of the Nicaraguan border, the withdrawal of military forces, the dismantling of military bases, and the dissolution of guerrilla groups—as well as supervision of adherence to any agreements on arms acquisitions and the elimination of foreign military advisers. These initiatives mark the first time that the U.N. and the OAS have become actively involved in the peace process and reflect the view that negotiated peace in Central America is in the interest of all of Latin America and the international community at large.

Administration officials, have shown skepticism about a Contadora treaty because of problems they see in implementing its security provisions and because they consider the treaty too favorable toward Nicaragua. Some observers believe that the administration opposes a Contadora treaty because of an unstated U.S. policy dedicated to the replacement of the Sandinista government. For their part, El Salvador, Honduras, and Costa Rica have rejected the treaty, in part reflecting genuine security concerns over the political situation in Nicaragua. Many observers of the diplomatic scene, however, argue that genuine support for the Contadora process by the United States would have resulted in a signed treaty long ago.

JANUARY 19 NICARAGUAN PEACE PROPOSAL

On January 19 in Managua, in a meeting with the U.N. and OAS Secretaries-General and the Foreign Ministers of the Contadora Group and the Support Group, Nicaraguan President Daniel Ortega expressed a willingness to resume talks, immediately, on pending matters related to the Contadora treaty. He stated further that Nicaragua remains prepared to reach bilateral agreements with the United States that would guarantee United States security interests in the region, and he urged that efforts be made to persuade the United States to resume bilateral talks with Nicaragua in order to normalize relations.

President Ortega also proposed that the five Central American countries undertake an agreement creating an onsite mechanism for verification and control of activities relating to nonintervention, the border areas, and the nonsupport of irregular groups in any Central American country. President Ortega said he welcomed a role for the OAS and U.N. in international border supervision, as proposed in the U.N./OAS memoradum.

COSTA RICAN PEACE INITIATIVE

In recognition of the fact that the Contadora Initiative, underway since 1983, had lost much of its momentum, at least for the present, President Arias of Costa Rica launched an informal regional peace initiative in January 1987. The Arias plan as it finally emerged on February 15, relied heavily upon the Contadora Document of Objectives.

This plan emerged following a visit to Washington by President Arias in December. During his visit, Arias argued that the Contras would never be able to oust the Sandinistas militarily, but asserted that a coordinated effort of democratic nations could pressure the Sandinistas to open Nicaragua's political system. In early January, United States and Costa Rican officials met in Miami to discuss the outlines of the Costa Rican proposal.

OUTLINE OF ARIAS PLAN

The Arias plan, formally entitled "Procedure for Establishing a Stable and Lasting Peace in Central America," contains the following 10 points:

—National reconciliation based upon the granting of amnesty and the commencing of a dialog between the government and the unarmed internal opposition;

—Cease fire to commence simultaneously with the launching of a dialog;

—Democratization to be manifest within 60 days of the signing of the document by complete freedom of press, assembly, and speech for all ideological groups in the society;

—Free elections including the elections for representatives to a proposed Central American Parliament, as well as popular elections at all levels within each country;

—Suspension of military aid to irregular forces within the region, to take place simultaneous with the signing of the document;

—Commitments to prevent use of territory by any participating state for purpose of launching attacks on other states;

—Commencement of negotiations, within 60 days of signing, with the aim of reducing the current stock of weapons and size of armed forces in each state;

—Provisions for national and international supervision of the terms of the plan;

—Provisions for the heads of state of the five countries to meet again within 6 months of the signing of the agreement to evaluate progress made in implementing the agreement; and

—Provision for the adoption of additional economic and cultural agreements among the parties to the agreement to enhance further the establishment of democracy and peace in the region.

SAN JOSE MEETING

The Arias plan was officially unveiled at a meeting of the heads of state of the four Central American democracies, on February 15 in San Jose, Costa Rica. The San Jose meeting resulted in agreement among the four participants that the governments of Central America should assume responsibility for developing a plan for ending armed conflict in the region and for fostering the establishment of democracy. Participants agreed to forward the draft plan to the President of Nicaragua and to invite him to participate at their next meeting, to be held within 90 days, in Esquipulas, Guatemala.

NICARAGUAN RESPONSE

Prior to the San Jose meeting, the Nicaraguan Government was quite vocal that no such meeting should take place without the participation of all interested governments; namely the Government of Nicaragua, which was not invited to participate. However, Nicaraguan officials accepted the invitation to participate in the Esquipulas meeting and have offered to meet prior to that time, at the working level, to discuss the Arias proposal.

U.S. RESPONSE

The administration has been less than enthusiastic about the Arias plan. Although Secretary of State Shultz testified under questioning that the United States supported the San Jose initiative, unnamed White House officials have been quoted as describing the plan as flawed.

COMMITTEE ACTION

S. 184 was introduced by Senator Dodd for himself and Senator Weicker on January 6, 1987, and was referred to the Committee on Foreign Relations. The committee held hearings on the bill on January 28 and February 5, receiving testimony from the bill's principal sponsors, Senators Dodd and Weicker; Assistant Secretary of State for Inter-American Affairs, Elliott Abrams; Ambassador Philip C. Habib, Special Envoy for Central America; Ambassador Sol M. Linowitz, Cochairman of the Inter-American Dialogue; Kenneth E. Sharpe, Associate Professor at Swarthmore College; Samuel T. Dickens, Director of Inter-American Affairs, American Security Council Foundation; and General Robert Schweitzer, retired, former U.S. Representative to the Inter-American Defense Board.

The committee considered S. 184 at its business meeting on February 18 and considered several amendments.

The committee adopted a Sanford amendment which sets forth a comprehensive alternative United States policy with respect to Nicaragua, in sense-of-the-Congress form. The vote was 15 to 5 with Senaotrs Pell, Biden, Sarbanes, Zorinsky, Cranston, Dodd, Kerry, Simon, Sanford, Adams, Moynihan, Helms, Kassebaum, Murkowski, and Evans voting in the affirmative; and Senators Lugar, Boschwitz, Pressler, Trible, and McConnell voting in the negative.

The committee also approved a Kerry amendment conditioning the provision of economic assistance on significant progress on respect for human rights, judicial and police reforms, and the holding of periodic elections. The vote was 11 to 9 with Senators Pell, Biden, Sarbanes, Zorinsky, Cranston, Dodd, Kerry, Simon, Sanford, Adams, and Moynihan voting in the affirmative; and Senators Helms, Lugar, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, Evans, and McConnell voting in the negative. The vote on this amendment was subsequently reconsidered on a voice vote and withdrawn.

The committee rejected the following amendments on recorded votes:

—A Helms amendment, to prohibit funding to the Contras until the Nicaraguan resistance forces freely elect a permanent di-

rectorate, on a tabling motion, by a vote of 11 to 9 with Senators Pell, Biden, Sarbanes, Cranston, Dodd, Kerry, Simon, Adams, Moynihan, Lugar, and Evans voting in the affirmative; and Senators Zorinsky, Sanford, Helms, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, and McConnell voting in the negative;

—A Simon amendment to delete section 3(d)—a provision which prohibits U.S. economic and military assistance, sales or transfers to third countries which provide assistance to the Contras after the date of enactment—on a tie vote of 9 to 9 with Senators Pell, Biden, Simon, Moynihan, Lugar, Boschwitz, Pressler, Trible, and McConnell voting in the affirmative; and Senators Sarbanes, Zorinsky, Cranston, Dodd, Kerry, Sanford, Adams, Helms, and Evans voting in the negative; and

—A McConnell amendment, in the nature of a substitute which would have simply authorized $300 million in ESF for the Central American democracies, by a vote of 9 to 11 with Senators Helms, Lugar, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, Evans, and McConnell voting in the affirmative; and Senators Pell, Biden, Sarbanes, Zorinsky, Cranston, Dodd, Kerry, Simon, Sanford, Adams, and Moynihan voting in the negative.

Finally, the Committee ordered S. 184 reported favorably, with an amendment, by a vote of 11 to 9. Senators Pell, Biden, Sarbanes, Cranston, Dodd, Kerry, Simon, Sanford, Adams, Moynihan, and Evans voted in the affirmative; and Senators Zorinsky, Helms, Lugar, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, and McConnell voting in the negative.

COMMITTEE COMMENTS

In acting on S. 184, the committee notes that it views this legislation as a comprehensive alternative policy to existing United States policy with respect to Nicaragua and aid to the Contras. In that regard, it believes that the sense of the Congress provision, offered as an amendment by Senator Sanford and adopted by the committee, is particularly helpful in further articulating a vision for achieving United States national security and foreign policy goals in our relations with Nicaragua.

With respect to additional economic assistance, the committee views the authorization of $300 million in ESF for the Central American democracies as the fulfillment of a commitment by the 99th Congress, which for a variety of reasons was never fully realized.

The committee takes note of concerns expressed by various church groups and private voluntary organinzations that the ESF funds authorized by this bill be targeted to address social and economic inequities which exist in the recipient nations. It is the expectation of the committee that, to the extent possible, these funds will be used to carry out development activities such as those undertaken pursuant to Chapter 1 of Part I of the Foreign Assistance Act of 1961, as amended.

The committee also strongly urges the administration to keep in mind the concerns expressed in the Kerry amendment when allo-

cating the additional aid funds. Clearly, the committee and the Senate as a whole have gone on record expressing the view that U.S. policy in Central America should, among other things, be directed toward encouraging aid recipients to improve human rights practices, to undertake judicial reform, to schedule and hold free elections, and to undertake police reforms, including the separation of police forces from military control. U.S. aid funds can clearly be an inducement for governments to make such reforms.

The committee believes that providing any form of assistance to the Contras is no longer in the foreign policy or national security interest of the United States. Therefore, section 3 of the bill provides for the termination of all U.S. assistance (except as specifically authorized by section 3(c)), including U.S. official aid, sales, or transfers of any good, service, or technology. It also prohibits the exportation of any goods, services or technology, subject to the jurisdiction of the United States.

Notwithstanding the prohibitions on assistance to the Contras, the committee recognizes that there is a moral obligation not to simply abandon them. Therefore, the committee has provided authority to permit any unexpended funds, previously appropriated for the Contras, to be used for relocation of those forces away from border areas of conflict. The committee has not provided a detailed plan for such relocation and resettlement efforts, because it believes that such a plan is best left to the appropriate international agencies and the governments of the countries involved.

In order to further the twin objectives of securing a diplomatic settlement to conflicts in the region, and encouraging the establishment of a pluralistic system of government within Nicaragua, the committee has also included language in the bill providing authority to use such funds to help in the implementation of any peace plan agreed to by the parties concerned and to assist the civilian democratic opposition within Nicaragua. It is the view of the committee that assistance to the internal opposition should take the form of funding such activities as seminars, conferences, and exchanges—the kinds of activities which the National Endowment for Democracy generally supports.

The committee also carefully considered section 3(d), a provision to prohibit assistance the third countries which assist the Contras; and rejected an effort to delete this provision from the bill. The committee does not look upon this as a punitive measure, but rather as a means of affording a measure of protection to foreign officials who might otherwise come undue secret pressure from individuals within the administration who seek financial support for activities which the Congress has refused to sanction.

SECTION BY SECTION ANALYSIS

SECTION 1—STATEMENT OF POLICY

Section 1(a) sets forth, as U.S. policy, support for the establishment of democracy, peace, and development in Central America, and recognizes the role that the countries themselves must play in achieving these goals.

Section 1(b) contains congressional recognition that the magnitude of the problem confronting the region is in excess of resources available within the region.

Section 1(c) provides a congressional finding that U.S. foreign policy interests will be served by the provision of substantial economic assistance to the region.

SECTION 2—AUTHORIZATION OF APPROPRIATIONS

Section 2 authorizes the appropriations of an additional $300 million in ESF funds for the four Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras). The committee believes that these funds can best be utilized, to the maximum extent practical, to support development initiatives, such as those carried out pursuant to Chapter 1 of Part I of the Foreign Assistance Act of 1961.

SECTION 3—PROHIBITION

Section 3(a) prohibits the obligation, expenditure, sale, or transfer of U.S. property, including defense articles for or on behalf of the Contras, except as provided in section 3(c).

Section 3(b)(1) prohibits the exportation of any goods, services, or technology, subject to the jurisdiction of the United States, to the Contras; and prohibits any person, subject to the jurisdiction of the United States, from undertaking such exportation of goods, services, or technology, whatever their origin, to the Contras, except in conjunction with the limited authority provided under section 3(c). Section 3(b)(2) provides for the promulgation of regulations necessary to carry out subsection (b)(1) of this section. Section 3(b)(3) makes the penalties provided in 38(e) of the Arms Export Control Act applicable for violations of subsection (b)(1) of this section.

Section 3(c)(1) provides limited authority for using unexpended funds, previously authorized for the Contras, for purposes of relocating Contra forces away from areas of conflict. Section 3(c)(2) authorizes use of such funds for supporting the Contadora initiative, to resolve the armed conflict in the region; or for the implementation of an agreement, to resolve such conflict, concluded through the efforts of the Contadora countries and/or others in the region. Section 3(c)(3) authorizes use of such funds to support the civilian democratic forces in Nicaragua by such activities as conferences, exchanges, and seminars, such as those sponsored by the National Endowment for Democracy.

Section 3(d) prohibits U.S. economic and military aid, as well as any arms sales or transfers, carried out under provisions of the Arms Export Control Act, to any country which provides assistance to the Contras after the date of enactment of this act.

SECTION 4—UNITED STATES POLICY TOWARD NICARAGUA

Section 4 provides sense-of-the-Congress guidance on an alternative United States policy with respect to Nicaragua, in order to promote United States national security and foreign policy interests. It recognizes the importance of protecting United States security interests and of seeking the establishment of democratic institutions in Nicaragua. It notes that U.S. security concerns should be

given immediate attention, and that the pursuit of this objective should not be conditioned on achieving success in the latter, equally important objective, which may realistically take longer to accomplish.

Section 4 also sets forth the frameworks for agreements which would address United States national security concerns raised by the current situation in Nicaragua; and would foster the establishment and growth of democratic institutions in Nicaragua.

COST ESTIMATE

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides the following estimates of the cost of S. 184, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 27, 1987.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate on S. 184, to provide economic assistance to the Central American democracies, and for other purposes, as ordered reported by the Senate Committee on Foreign Relations on February 18, 1987.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

With best wishes,

Sincerely,

EDWARD GRAMLICH,
(For Rudolph G. Penner, Director).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 184.
2. Bill title: To provide economic assistance to the Central American democracies, and for other purposes.
3. Bill status: As ordered reported by the Senate Foreign Relations Committee, February 18, 1987.
4. Bill purpose: This bill authorizes an additional $300 million in economic assistance to Costa Rica, El Salvador, Guatemala, and Honduras, and terminates assistance to the Nicaraguan democratic resistance.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
Authorization amount	300				
Estimated outlays	148	79	47	15	10

Costs for this bill fall within budget function 150.

Basis of estimate: This estimate assumes enactment of this legislation and subsequent appropriation of the additional authorized amount by July 1, 1987. The estimated outlays are determined by applying spendout rates consistent with the Administration's proposed fiscal year 1987 supplemental. If the funds are not appropriated until late in fiscal year 1987, outlays for fiscal year 1987 will be lower due to the lack of time to obligate funds.

The ban on further funding of the Nicaraguan democratic resistance is not expected to have any budget impact because the funds would be available for other purposes.

6. Financing mechanism: This legislation authorizes funding to be provided in subsequent appropriation acts. Such funding is discretionary and may be lower than the authorized amount.

7. Estimated cost to state and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Kent R. Christensen.

11. Estimate approved by: C.G. Nuckols, (for James L. Blum, Assistant Director for Budget Analysis).

REGULATORY IMPACT STATEMENT

In accordance with rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has evaluated the regulatory impact of this bill and finds that its enactment would have no regulatory impact.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the committee has reviewed this bill and finds it makes no changes in existing law.

MINORITY VIEWS OF MR. ZORINSKY

As a long-time opponent of aid to the Contras and a strong proponent of a negotiated political settlement in the Central American region, I certainly support the thrust and objectives of S. 184. I cannot support, however, the expenditure of the $300 million that the bill would make available to Costa Rica, El Salvador, Guatemala, and Honduras for two reasons. First, I cannot justify sending additional millions to Central America—or any place—at a time when farmers and others in this country are facing severe economic difficulties as evidenced by mounting debts, foreclosures, and other personal tragedies. While Americans find themselves in economic difficulties, especially in the farm communities, and the industrial heartland, additional foreign aid is not justifiable, in my view.

Second, it is my contention that the case for this additional aid simply has not been made. Since 1981 the United States has provided $5.4 billion in military and economic aid to just five countries in Central America: Costa Rica, Honduras, Guatemala, El Salvador, and Nicaragua. Of this amount, $2.4 billion has been in the form of economic support funds (ESF) which, absent legislative restrictions, are disbursed on a cash-grant basis. Given the fungibility of cash transfers, that money, in effect, may then be sent for any purpose which the recipient governments choose—including military purchases. Consequently, the Congress has insisted on considering economic support funds to be security, and not development, assistance. Is there any assurance in this legislation that these funds will be spent for nonmilitary-related, development purposes? The answer is no. Even if all the funds were spent for development purposes, do we really believe that an additional $300 million now will bring internal peace to El Salvador? Will it turn sick economies to health? Will it serve to entice the Sandinistas to negotiate with their neighbors for a regional peace? Sadly, I must answer these queries in the negative as well. I do not believe that after spending staggering sums in these small countries, the addition of $300 million will effectively make the difference.

If S. 184 were a clean bill designed to cut off aid to the Contras, I would support it without reservation. As it is, reluctantly, I cannot support the provision of an additional $300 million in ESF, moneys I can only conclude are intended to serve as symbolic of a commitment the United States has already kept for the past 6 years. It is a symbol, in my view, that is both unnecessary and expensive. It remains my strong preference that the Congress flat-out terminate assistance to the Contras, thereby ending what I believe is an unmitigated foreign policy failure and sparing the taxpayer further burdens.

MINORITY VIEWS OF MR. HELMS

At the markup on February 18 of S. 184, the Dodd bill, several efforts were made to modify the legislation. The Dodd bill as reported would cut off further disbursement of funding for the Nicaraguan freedom fighters already authorized and appropriated by the 99th Congress. The bill also provides for $300 million in economic assistance for Costa Rica, El Salvador, Guatemala, and Honduras.

During the markup, several Senators raised severe misgivings about cutting off funds already appropriated to the Nicaraguan resistance. Against the background of this discussion, Senator McConnell offered an amendment in the form of a substitute which would have approved the $300 million in assistance for the Central American democracies. The McConnell amendment also would have included the Sanford amendment supporting negotiations and a peaceful settlement to the problems in the region, in lieu of a cutoff of current appropriations. The McConnell amendment failed 11 to 9.

Senator Helms offered an amendment conditioning aid to the resistance on democratically based reform of the resistance.

The Helms amendment would have prohibited further aid until the President certified that the Nicaraguan democratic resistance had held elections to choose their leadership without outside interference, including U.S. Government involvement. The Helms amendment was tabled by a vote of 11 to 9, receiving bipartisan support. Senators voting in favor of the amendment were Helms, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, McConnell, Zorinsky, and Sanford. Senator Helms intends to offer a similar amendment to give democratic reform a chance on the Senate floor at the appropriate time.

The proposal to cut off presently authorized assistance to the Contras is far too drastic. The effect of this bill would be to halt plans already in progress, and would in essence abandon the freedom fighters and their hope for democracy in Nicaragua. Opponents of aid to the freedom fighters have asserted many times that every Member of Congress is opposed to the Marxist Sandinista government. Certainly no one defends the present regime. However, at this point we need to decide whether or not we are going to take effective steps to help the Nicaraguan people restore freedom and democracy in their country. The Nicaraguan democratic resistance is the center of Nicaraguan hopes to achieve that end.

Some critics have raised questions about the resistance and its political organization, the United Nicaraguan Opposition (UNO). Such critics believe that the resistance is not truly broadbased or representative of the Nicaraguan people. The democratic resistance should be given a chance to establish an independent, democratic,

broadbased leadership before funds are cut off and the Nicaraguan people are abandoned.

The United Nicaraguan Opposition, the formal organization of the democratic resistance, was formed on June 12, 1985. It is clear from the history of UNO, that it has not yet had the opportunity to establish its structure freely as a result of improper influence from forces extrinsic to the Nicaraguan resistance itself. Nevertheless, UNO does have within itself the potential to become a representative democratic organization.

The organizational leadership of UNO was not chosen by election. Rather, the organizers simply made a de facto announcement. Until February 16, 1987, the leadership consisted of three men: Adolfo Calero, Alfonso Robelo, and Arturo Cruz.

Mr. Calero is a respected Nicaraguan businessman, a civilian who had been jailed by former President Somoza. Mr. Calero left Nicaragua to join the largest resistance organization, the Nicaraguan Democratic Force (FDN), and is now the president of that organization. He was the only leader in UNO with ties to the fighting forces.

Mr. Robelo is a chemical engineer, and was a member of the first Sandinista government junta.

Mr. Cruz lived in the United States for more than 15 years as an employee in the Inter-American Development Bank. He returned to Nicaragua to serve in the Sandinista government as president of the Central Bank, and later returned as the Sandinista Ambassador to Washington.

Both Mr. Robelo and Mr. Cruz have supported a negotiated settlement in Nicaragua and are opposed to the overthrow of the Sandinista regime.

On February 16, 1987, Mr. Calero resigned from the Directorate of UNO after pressure from the U.S. Government. He was replaced by Pedro Joaquin Chamorro, a Nicaraguan journalist. Mr. Chamorro at the time of his appointment did not represent any particular organization.

At the current time, the new UNO Directorate is seeking control over all funds disbursed to the Nicaraguan resistance, as well as control over the military troops of the FDN. These differences have not been resolved.

Despite the fact that the Nicaraguan democratic resistance has the necessary mechanism in place to hold democratic elections, U.S. Government advisors have discouraged such elections until U.S. handpicked candidates are in place. The electoral mechanism is the existing UNO assembly.

The UNO assembly was elected on July 25, 1986 to be the representative body of the resistance. All Nicaraguan parties and organizations that chose to participate were given the opportunity. The 13 organizations that joined are the following:

Conservative Nicaraguan Party in Exile
Nicaraguan Social Democratic Party in Exile
Nicaraguan Democratic Movement in Exile
Nicaraguan Social Christian Party in Exile
Liberal Independent Party in Exile
Nicaraguan Democratic Union
Democratic Action Movement

Nicaraguan Democratic Workers Solidarity
Nicaraguan Democratic Workers Committee
Liberal Constitution Party in Exile
Nicaraguan Democratic Development
KISAN
Nicaraguan Private Enterprise in Exile.

At that time each organization elected its own representatives to the assembly, for a total of 28 members.

The UNO assembly itself is fairly broadbased. Almost all major Nicaraguan democratic organizations are represented. Among the few that are missing, are the Southern Opposition Bloc, and the Liberal Party. There are efforts underway for both of these to be included in the near future. It is essential that the UNO assembly have a chance to choose its leadership democratically and without external influence. This would provide a broad democratic base with the united resistance which could overcome the tendency for abuses which have been alleged.

The outcome of any elections by the democratic resistance should not be predetermined by the U.S. Government, or any other outside influence other than the democratic Nicaraguans themselves. If we believe in democracy, we need to allow the Nicaraguan people the same chance to practice democracy. In order for them to have this chance, they need complete support from the United States, including humanitarian assistance, as well as military assistance, and freedom from external influence in the democratic process.

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